

**25th Annual Report
2009-2010**



Sharp Minds, Sharp Products.

SHARP

SHARP INDIA LIMITED

BOARD OF DIRECTORS

K. AJIKAWA
[Managing Director]

T. SAKAMOTO
[Executive Director]

K. DOMOTO

S. S. VAIDYA

SANJAY ASHER

H. TAKAYAMA

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BANKERS

BANK OF INDIA

THE BANK OF TOKYO-MITSUBISHI UFJ LTD.

THE MIZUHO CORPORATE BANK LTD.

CITI BANK N.A.

SOLICITORS & ADVOCATES

CRAWFORD BAYLEY & CO., MUMBAI

AUDITORS

S. R. BATLIBOI & CO.,

Chartered Accountants

REGISTERED OFFICE & FACTORY

Gat No.686/4, Koregaon Bhima,

Tal. Shirur, Dist. Pune 412 216

Phone No. (02137) - 252417 / 666520

REGISTRARS & TRANSFER AGENTS

Link Intime India Private Limited

Flat No. 202, 2nd Floor,

Akshay Complex,

Dhole Patil Road,

Near Ganesh Mandir,

Pune 411 001.

Phone No. (020) - 26051629

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of Sharp India Limited will be held at the Registered Office of the Company at Gat No. 686/4, Koregaon Bhima, Taluka Shirur, District Pune 412 216 on Monday, 20th September 2010 at 11:00 a.m. (I.S.T.) to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on 31st March 2010 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. S. S. Vaidya who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanjay Asher who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION** :

RESOLVED THAT Mr. Hiroaki Takayama who was appointed as an additional director of the Company by the board of directors and who holds office upto the date of this annual general meeting of the Company under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member, proposing his candidature for the office of a director, be and is hereby appointed as a director of the company liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT Mr. Koji Domoto who was appointed as an additional director of the Company by the board of directors and who holds office upto the date of this annual general meeting of the Company under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member, proposing his candidature for the office of a director, be and is hereby appointed as a director of the company liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of section 198, 269 , 309, 310, the Articles of Association read with Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, the reappointment of Mr. K. Ajikawa as the Managing Director of the Company for a period from 12th August 2010 till 11th August 2013 be and is hereby approved on the following remuneration.

1. Salary of Rs.65,000/- (Rupees Sixty Five Thousand Only) per month.
2. Rent free furnished residential accommodation together with necessities including gas, electricity, water, etc.
3. Reimbursement of medical expenses incurred in India for self and family (spouse and children) if they reside in India.
4. Rental for the telephone facility at residence to be used for the business of the Company.
5. The Company will provide car and the company will bear the cost of fuel, maintenance, road tax and insurance. The company will reimburse the expenses incurred on account of salary of the driver.
6. Entitlement to free Air Passage once in a year for the purpose of Annual Leave for self and family (Spouse and dependent children are also eligible) if residing in India.
7. The company will bear the actual expenses incurred for shifting his household goods on return from India to Japan on expiry of his term.
8. Employers' Contribution to the Provident Fund as per the prevailing law.

The above perquisites granted to the Managing Director shall be evaluated on actual basis, Provided that the overall monthly remuneration payable to the Managing Director during his tenure shall not exceed the limits laid down in schedule XIII to the Companies Act, 1956.

FURTHER RESOLVED THAT subject to Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, the salary, perquisites, benefits and amenities as set out above be paid or granted to Mr.K. Ajikawa as minimum remuneration during the term of Mr. K. Ajikawa's tenure as the Managing Director, notwithstanding that in any of the financial years, the company has made no profits or the profits made are inadequate.

FURTHER RESOLVED THAT The Board shall be at liberty to vary the remuneration, and other terms and conditions of the agreement re -appointing the Managing Director as the Board of Directors may think fit and necessary , as long as the remuneration does not exceed the maximum limits specified in Schedule XIII to the Companies Act, 1956.

By Order of the Board of Directors
For Sharp India Limited

Pune
August 2, 2010

Mayuresh Vaze
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Explanatory Statement pursuant to section 173(2) in respect of item nos. 5, 6 and 7 is annexed hereto.
3. Members are requested to notify any change of address to their Depository Participants (DPs) in respect of their electronic share accounts and to the Registrars & Transfer Agents, **Link Intime India Private Limited** (Formerly known as : Intime Spectrum Registry Limited) , 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune 411 001, in respect of their physical share folios.
4. Members can avail of nomination facility. Blank Nomination forms will be supplied on request.
5. Members who are holding shares in more than one folio under name(s) in the same order are requested to sent the relative share certificates to the Registrar and Transfer Agents for consolidation of the entire holding in one folio. The share certificates after consolidation will be returned by registered post/courier.
6. The Share Transfer Books and the Register of Members of the Company will remain closed from Wednesday, 8th September, 2010 to Monday, 20th September, 2010 (both days inclusive).
7. Members are requested to bring along with them a copy of the Annual Report as the same will not be distributed in the meeting.
8. Members are requested to forward their queries on accounts at least 10 days in advance to enable us to reply the same.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

Mr. Hiroaki Takayama was appointed as an additional director of the Company with effect from 29th January 2010. In terms of section 260 of the Companies Act, 1956 and Article No. 141 of the Articles of Association of the Company, he holds office till the date of ensuing annual general meeting. The Company has received notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- proposing his candidature as the Director of the Company at the ensuing Annual General Meeting.

Mr. Hiroaki Takayama is Joint General Manager of The Mizuho Corporate Bank Limited , Mumbai and has a wide experience in the banking field.

It is considered desirable that the company should have benefit of his experience and advice.

The Board recommends the resolution for acceptance by the members. None of the directors other than Mr. Hiroaki Takayama may be treated as concerned or interested in the resolution.

ITEM NO. 6

Mr. Koji Domoto was appointed as an additional director of the Company with effect from 28th May 2010. In terms of section 260 of the Companies Act, 1956 and Article No. 141 of the Articles of Association of the Company, he holds office till the date of ensuing

annual general meeting. The Company has received notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- proposing his candidature as the Director of the Company at the ensuing Annual General Meeting.

He graduated in Economics from Kwansei Gakuin University in the year 1985. He has an experience of about 25 years and has held various positions in Sharp Group of Companies before joining Sharp India Limited.

It is considered desirable that the company should have benefit of his experience and advice.

The Board recommends the resolution for acceptance by the members. None of the directors other than Mr. Koji Domoto may be treated as concerned or interested in the resolution.

ITEM NO. 7

Mr. K. Ajikawa was appointed as the Managing Director of the Company for the period from 12th August, 2007 to 11th August, 2010 for a period of three years. Sharp Corporation, Japan has recommended the re-appointment of Mr. K. Ajikawa as the Managing Director of the Company for a further period of three years with effect from 12th August, 2010. Accordingly, the Board of Directors in its meeting held on 2nd August, 2010 reappointed Mr. K. Ajikawa as the Managing Director of the Company for a further period of three years from 12th August, 2010 to 11th August, 2013. The Remuneration Committee in its meeting held on 2nd August, 2010 approved the remuneration payable to Mr. K. Ajikawa for term of his re-appointment as the Managing Director of the Company.

Mr. K. Ajikawa's appointment has been made under the provisions of Schedule XIII to the Companies Act, 1956 and is subject to the approval of the members. Hence members approval is sought for his reappointment and remuneration payable to him for the period from 12th August, 2010 to 11th August, 2013.

The Board recommends the resolution for acceptance by the members. None of the directors other than Mr. K. Ajikawa may be treated as concerned or interested in the resolution.

The above statement may also be treated as an abstract of the terms and Memorandum of Interest under section 302 of the Companies Act, 1956.

DISCLOSURES AND INFORMATION ABOUT DIRECTORS BEING APPOINTED OR REAPPOINTED AT THE ANNUAL GENERAL MEETING:

- ▶ Mr. S. S. Vaidya, is a Chartered Accountant and a partner of M/s. Kunte & Vaidya - Chartered Accountants, Pune. He has got a very wide experience in the field of finance and taxation. He also serves on the Board of following public limited companies: BF Utilities Ltd, Bosch Chassis Systems India Ltd, Kalyani Steels Ltd, Nandi Economic Corridor Enterprises Ltd, Nandi Infrastructure Corridor Enterprises Ltd, Nandi Highway Developers Ltd. BF Systems Ltd ,Sahyadri Hospitals Ltd ,MRF Limited and Kalyani Investments Company Ltd.. He does not hold any shares in the company. He is also Chairman of audit committee and member of

remuneration committee and investor grievance and transfer committee of the company.

- ▶ Mr. Sanjay Asher is a Chartered Accountant and Solicitor and partner of M/s. Crawfordbayley & Co., Solicitors , Advocates and Notaries , Mumbai. Mr. Sanjay Asher has been practising for a number of years on various matters including corporate laws. He also serves on the Board of following public limited companies: Bajaj Allianz General Insurance Company Ltd, Bajaj Allianz Life Insurance Company Ltd, Dewas Soya Ltd, Divinet Access Technologies Ltd, Finolex Cables Ltd, Finolex Plasson Industries Limited, Kryfs Power Components Ltd, Mandhana Industries Ltd, Peass Industrial Engineers Ltd, Repro India Ltd, Schlafhorst Engineering (India) Ltd, Sparsh BPO Services Ltd, Shree Renuka Sugars Ltd, Sudarshan Chemical Industries Limited , Finolex Infrastructure Ltd, He holds 100 shares of the Company. He is also member of audit committee and remuneration committee and chairman of investor grievance and transfer committee of the company.
- ▶ Mr. Hiroaki Takayama is a Joint General Manager of Mizuho Corporate Bank, Limited Mumbai. Mr. Hiroaki Takayama was inducted on the Board as an additional director on January 29, 2010. He has a very wide experience in the banking field. He is a member of the audit committee and chairman of the remuneration

committee of the company. He does not hold any shares in the company.

- ▶ Mr. Koji Domoto was appointed as an additional director of the Company with effect from 28 May 2010. He graduated in Economics from Kwansei Gakuin University in the year 1985. He has an experience of about 25 years and has held various positions in Sharp Group of Companies before joining Sharp India Limited. He does not hold any shares in the Company.
- ▶ Mr. K. Ajikawa has been re- appointed as the Managing Director with effect from August 12, 2010 for a period of three years. He has held various positions in Sharp Corporation Japan and associate Companies. Mr. K. Ajikawa has wide experience in the field of Sales and Marketing. He is also a Director on the Board of Sharp Business Systems (India) Limited. He is also member of investor grievance and transfer committee of the company. He does not hold any shares in the company.

By Order of the Board of Directors
For Sharp India Limited

Pune
August 2, 2010

Mayuresh Vaze
Company Secretary

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their Twenty-Fifth Report together with the Audited Statement of Accounts for the year ended on March 31, 2010.

1. FINANCIAL RESULTS :

Rs. In Million

	Year ended March 31, 2010	Year ended March 31, 2009
INCOME		
Sales and Services (Gross)	1142.884	1014.073
Less : Excise Duty & Service Tax	(73.253)	(98.959)
Sales and Service income (Net)	1069.631	915.114
Other Income	10.630	4.190
	<u>1080.261</u>	<u>919.304</u>
EXPENDITURE		
Manufacturing and other expenses	1035.224	887.435
Depreciation	23.785	18.660
Interest expense	5.154	10.953
	<u>1064.163</u>	<u>917.048</u>
PROFIT BEFORE TAX	16.098	2.256
PROVISION FOR TAX		
Wealth tax	(0.017)	(0.027)
Fringe Benefit Tax	-	(1.429)
NET PROFIT / (LOSS) FOR THE YEAR	<u>16.081</u>	<u>0.800</u>
PROFIT AND LOSS ACCOUNT, beginning of the year	(218.707)	(219.507)
PROFIT AND LOSS ACCOUNT, end of the year	<u>(202.626)</u>	<u>(218.707)</u>

2. OPERATIONS :

Gross sales and service income during the year under review has increased by 12.70%, over the previous year mainly due to increase in sales of Colour Televisions and LCDs. The Company has continued its efforts in inventory control, quick realization of the receivables which has resulted in reduction in interest cost.

During the current year under review, your company has made a profit of Rs.16.08 millions after tax.

3. DIRECTORS :

Mr. K. Ajikawa - Managing Director of the company has been re-appointed for a period of three years with effect from 12th August, 2010. Members consent is sought for his re- appointment and remuneration payable to him during his tenure as the Managing Director.

Mr. K. Kawamata resigned as a director of the company with effect from 29th January, 2010. Mr. Noboru Fujimoto resigned as a director of the company with effect from 28th May, 2010. The Board places on record their sincere appreciation for the useful contribution made by Mr. K.Kawamata and Mr.Noboru Fujimoto.

Mr. Hiroaki Takayama was appointed as an additional director of the company with effect from 29th January, 2010. Mr. Koji Domoto was appointed as an additional director of the company with effect from 28th May, 2010. They hold office till the ensuing Annual General Meeting as they have been appointed as the additional directors. A notice proposing appointment of Mr. Hiroaki Takayama and Mr. Koji Domoto under section 257 of the Companies Act, 1956 have been received from the members and included in the Notice for the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company Mr. S.S.Vaidya and Mr. Sanjay Asher retire by rotation and being eligible they have offered themselves for the reappointment.

4. MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE :

The Management Discussion Analysis and the report on Corporate Governance are attached to the Directors' Report and form parts of this Annual Report. A Certificate from a Company Secretary in whole time practice verifying compliance thereof is also incorporated in the Corporate Governance section.

5. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of the accounts for the financial year ended March 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the accounts for the financial year ended March 31, 2010 on a 'going concern' basis.

6. AUDITORS :

M/s S. R. Batliboi & Co., Statutory Auditors, will retire at the conclusion of the ensuing annual general meeting and are eligible for reappointment. M/s S. R. Batliboi & Co. has furnished the required certificate pursuant to section 224(1B) of the Companies Act, 1956.

7. PARTICULARS OF EMPLOYEES :

None of the employees whether employed through out the year or part of the year was in receipt of remuneration exceeding the limits specified in section 217 (2A) of the Companies Act, 1956 and the Rules made there under.

8. CERTIFICATES AND MARKS :

Your Company continues to be an ISO 14001 and ISO 9001 certified Company.

9. INDUSTRIAL RELATIONS :

Industrial Relations have been and continue to be harmonious and cordial.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Your company is conscious of its responsibility towards conservation of energy, power and environment and has taken the necessary steps to conserve the same. Your company implements the 3E Policy i.e. -

- Eco-positive Product - Products having less usage of resources and are safe for use,
- Eco-positive Operation - Reduce adverse impact on environment during manufacturing processes
- Eco -positive Relationship. - Enhance corporate value during involvement of employees.

Even though the nature of company's operations is not energy-intensive, your company make constant efforts to reduce consumption of energy, light, oil, water & fuel.

The in-house development of new models of Colour Televisions, and LCDs is supported by strong overseas technical knowledge from Sharp Corporation, Japan. The technology provided by Sharp Corporation, Japan has been fully absorbed and the company continues to utilize the same. Your company has not imported any new technology during the year under review.

Benefits derived from R&D :

- Development of new CTV models with innovative features & superior technology
- Cost saving and reduction
- Introduction of new LCD models.

Expenditure on R & D :

Capital	Rs. Nil
Recurring	Rs. 6,759,038
Total	Rs. 6,759,038
Total R&D Expenditure as a percentage of total sales turnover	0.635 %

Foreign Exchange Earnings and Out go :

Used : Rs. 617,538,779 (includes CIF value of Imports, Royalty, Traveling and Bills Negotiation charges)

Earnings : Rs. 777,424

11. ACKNOWLEDGEMENTS :

Your Directors express their gratitude for the valued and timely support and guidance received from Sharp Corporation, Japan and also wish to place on record their appreciation for the co-operation extended by the Bankers, Financial Institutions and its valued investors. The Board also acknowledges the untiring efforts and contribution made by the company's employees.

For and on behalf of the Board of Directors

Pune,
August 2, 2010

K. Ajikawa
Managing Director

T. Sakamoto
Executive Director

MANAGEMENT DISCUSSION & ANALYSIS

The Growth rate of the Indian economy (GDP) registered a growth of around 7.4% during the year 2009-2010 against the estimates of 7.2%. The economy has posted remarkable recovery. The growth in the industrial sector was accelerated. The manufacturing sector registered a growth of 10.8% in 2009-10 as against a growth of 3.2% in 2008-09. The government through its various measures was successful in restricting the economic slowdown by increasing the disposable income in the hands of the people.

INDUSTRY STRUCTURE AND DEVELOPMENTS :

The electronics market in India is growing strongly at the rate of 22% to 25%. 'Consumer Electronics' market is one of the largest segment of the electronics segment in India and with the boom in the Indian economy in the current year it is poised for a strong growth in the years to come and is expected to have very good demand in the current year. The key products in consumer durable industry are Colour TV, LCD, refrigerators, washing machines, air conditioners and micro wave ovens.

CTV market has witnessed very rapid changes in the last decade in terms of technology, prices and consumer aspirations. The consumer demand is rapidly shifting from the conventional Colour TVs to LCD, plasma displays. The Television market is witnessing an immense competition from domestic as well as foreign brands.

The refrigerator market is growing at the tremendous rate of around 23%. The demand for refrigerators is continuously escalating due to the low penetration and increase in demand from the rural and semi urban areas. The demand for micro wave ovens with latest technology is also on a rise and has a very good growth potential.

OPPORTUNITIES AND THREATS :

Opportunities :

Demand for consumer electronic goods have a very good growth potential in the Indian market for the years to come due to (a) growing consumer confidence due to rising disposable income. (b) easy financing schemes that are making purchases possible. (c) increased local manufacturing (d) expanding distribution network (e) sporting events, such as football world cup, cricket etc. (g) increasing number of TV channels day by day and services of cable network and DTH (Direct to Home) in urban as well as rural areas and availability of the same at affordable prices.

Threats :

Despite the emerging opportunities consumer durable industry remains vulnerable to stiff competition, technological obsolescence, erosion in prices and increasing marketing and distribution cost.

OUTLOOK :

The consumer demand is rapidly shifting to latest technology & energy efficient products. There is a huge growth potential for the consumer electronics goods industry in India. Your company is determined to make available "one of its kind products" with latest technology to its customers. LCD has a very good growth potential due its competitive prices, low power consumption, performance and technology and your company will focus on the same along with conventional CTV. Your company will also focus on the sales of refrigerators and microwave ovens. Your company will aim at making available environment friendly, energy efficient and economical products to the consumers. Your Company is inclined to keep a proper product mix, well established distribution network, technological superiority, and after sales service and create a brand image in the mind of consumers to combat with the stiff competition and rising consumer aspirations.

CORPORATE GOVERNANCE

Corporate Governance is based on the principles of transparency, accountability, integrity equity, fairness and commitment to the stakeholders. Your company aims at good governance and management practices and believes in fair and transparent business operations in

RISKS & CONCERNS :

The risk associated with the consumer electronics are :-

- Due to competition & existence of local brands there is continuous pressure on the price of the products
- Since most of the raw material & components are imported, there is exchange fluctuation risk in case of abnormal exchange rate fluctuation
- Increase in the input costs.
- product obsolescence
- seasonal fluctuations in demand.

The management is aware of these risks and has been taking steps to minimize the same.

FINANCIAL AND OPERATIONAL PERFORMANCE :

The financial highlights for the fiscal 2009 - 2010 are dealt with in the Directors' Report. During the year under review your company has achieved a gross turnover of Rs.1142.884 mn which is 12.70% higher compared with the previous year. This was mainly due to increase in sale of Colour televisions and LCD. In terms of volume turnover of CTV has increased by 16.1% and of LCD by 81.6%. Your company will continue to focus on increasing the sale of LCD Televisions and improve sales of Refrigerators and microwave ovens in the coming years.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

Your company has in place appropriate and adequate internal control system to ensure maintenance of proper and accurate accounting records, compliance with applicable laws and regulations etc. & is supported by strong EDP system.

The independent internal auditors appointed by the company decides the Internal Audit plan for the year in consultation with the statutory Auditors. The Internal Auditors carry out extensive audits through out the year, across all functional areas & submit reports to the management. The Internal Auditors submits summary of their findings along with recommendations to Audit committee of the Board of Directors. The Audit committee reviews the findings & recommendations of Internal Auditors & suggests improvements for strengthening the Internal Control systems on regular basis.

HUMAN RESOURCES :

Your company continues to maintain a cordial and healthy atmosphere with the employees at all levels.

Your company considers the quality of its human resources to be the most important asset and places emphasis on training and development of employees at all levels. Company ensures equal opportunities to the employees to excel in their work and advance themselves in their career depending on their abilities. It commits itself to grow hand-in-hand with our employees, encouraging and aiding them to reach their full potential and improve their standard of living.

Industrial relations were cordial during the year under review. The total number of employees as on March 31, 2010 is 296.

CAUTIONERY STATEMENT :

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be treated as 'Forward Looking Statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a down trend in consumer durable industry, significant changes in government policies, laws and political environment in India or abroad and also exchange rate fluctuations, interest and other costs.

adherence of philosophy and disclosures standards followed globally by Sharp group of companies. The necessary information as stipulated by clause 49 of the Listing Agreement is incorporated in the present

annual report at appropriate places to ensure adequate disclosures. Towards this end, the information given under this section, the 'Management Discussion and Analysis' and the 'Shareholder Information' together constitute the report on Corporate Governance for the financial year 2009-2010.

• COMPOSITION OF THE BOARD :

The Board of Directors comprised of six members as on 31st March 2010 out of which two were Executive Directors, and four were Non-Executive Directors and out of which three were Non Executive Independent Directors. Mr. Y. Mizuno - Executive Director resigned w.e.f. 26 May 2009 and Mr. Tadasu Sakamoto was appointed as the Executive Director w.e.f. 26 May 2009. Mr. M. Takahashi resigned as the Non Executive Director of the Company w.e.f. 26 May 2009 and Mr. Noboru Fujimoto was appointed as a Non Executive Director

w.e.f. 26 May 2009. Mr. K. Kawamata resigned as a non executive independent director w.e.f. 29 January 2010 and Mr. Hiroaki Takayama was appointed as a non executive independent director w.e.f. 29 January 2010. Mr. Noboru Fujimoto resigned as the non executive director of the company w.e.f. 28th May 2010 and Mr. Koji Domoto was appointed as the non executive director of the company w.e.f. 28th May 2010. The details of number of meetings held, and attended by directors and other related information is given in Table 1.

The Board Meetings are generally held in Pune. During the financial year, 4 (four) Board Meetings were held on 26/05/2009, 29/07/2009, 30/10/2009 and 29/01/2010 respectively and the time gap between two consecutive meetings did not exceed four months. Table 1 gives the composition of the Board, the category of the Directors, their attendance record and the number of other directorships held by them.

Table 1 : Details about Board of Directors during the year 2009-2010

Name of Director	Category	Number of Board Meetings held	Number of Board Meetings Attended	Whether attended last AGM	No. of directorships of other public limited companies	Number of Committees in which Chairman / Member (Other than Sharp India Limited)	
						Chairman	Member
a) Mr. K. Ajikawa	Executive	4	4	Yes	1	0	1
b) Mr. Y. Mizuno *	Executive	4	1	No	1	0	1
c) Mr. T. Sakamoto **	Executive	4	3	Yes	1	0	1
d) Mr. S. S. Vaidya	Non Executive Independent	4	4	Yes	10	4	9
e) Mr. Sanjay Asher	Non Executive Independent	4	4	No	14	4	8
f) Mr. M. Takahashi \$	Non Executive	4	Nil	No	1	0	0
g) Mr. N. Fujimoto #	Non Executive	4	Nil	No	1	0	0
h) Mr. K.Kawamata @	Non Executive Independent	4	2	No	Nil	0	0
i) Mr. H. Takayama +	Non Executive Independent	4	0	No	Nil	0	0

Notes :

- * Mr. Y.Mizuno resigned w.e.f. 26 May 2009
- ** Mr. T.Sakamoto was appointed w.e.f. 26 May 2009
- \$ M.Takahashi resigned w.e.f. 26 May 2009
- # Mr. N.Fujimoto was appointed w.e.f. 26 May 2009 and resigned w.e.f. 28 May 2010
- @ Mr. K. Kawamata resigned w.e.f. 29 January 2010.
- + Mr.H.Takayama was appointed w.e.f. 29 January 2010.
- g) None of the directors is a Member of more than 10 Board level committees of the public Companies in which they are directors or is a Chairman of more than 5 such committees as included for the purposes of Corporate Governance laid down by Listing agreement. For this purpose audit Committee & Investor Grievance Committee only have been considered as stipulated in clause 49 of the listing agreement.

DIRECTORS' ATTENDANCE RECORD FOR AUDIT AND REMUNERATION COMMITTEE MEETINGS :

Name of Director	Audit Committee Meetings			Remuneration Committee Meetings		
	Number of Meetings Held	Number of Meetings Attended	Position Held	Number of Meetings Held	Number of Meetings Attended	Position Held
a) Mr. S. S. Vaidya	4	4	Chairman	1	1	Member
b) Mr. Sanjay Asher.	4	4	Member	1	1	Member
c) + Mr. K. Kawamata	4	2	Member	1	1	Chairman
d) ++ Mr. H. Takayama	4	0	Member	1	0	Chairman

- + Mr. K.Kawamata resigned as a director w.e.f. 29 January 2010 and also ceased to be the member of audit committee and Chairman as well as member of remuneration committee from that day.
- ++ Mr. H.Takayama was inducted as a Director w.e.f.29 January 2010 and became member of audit committee and member as well as Chairman of the remuneration committee from that day.

INFORMATION SUPPLIED TO THE BOARD :

Information supplied to the Board includes-

- Quarterly and annual results of the Company
- Annual operating plans and budgets, capital budgets, updates
- Minutes of board meetings and committees thereof
- Compliance of statutory and regulatory nature, listing requirements and investor grievances, if any and shareholder-services
- Disclosures pertaining to clause 49 of the Listing Agreement.
- Important show cause notices and demand notices.

• **DIRECTORS' MATERIAL PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY :**

There have been no transactions or pecuniary relationships between the company and its Non-Executive and/or Independent directors during the year 2009-2010.No payment other than the sitting fees was made to any of the non - Executive Directors. Mr. Sanjay Asher holds 100 equity shares of the Company, no other director holds shares in the company.

• **REMUNERATION TO DIRECTORS :**

The details of the remuneration package for the financial year 2009 - 2010 of directors and relationship, if any are given in the following table:

Table 2

Name of the Director	Relationship With other Directors (Rs.)	Sitting Fees (Rs.)	Salaries & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
a) Mr. K. Ajikawa	None	Nil	12,37,273	Nil	12,37,273
b) Mr. Y. Mizuno	None	Nil	1,25,975	Nil	1,25,975
c) Mr. T. Sakamoto	None	Nil	10,04,295	Nil	10,04,295
d) Mr. S. S. Vaidya	None	3,42,500	Nil	Nil	3,42,500
e) Mr. Sanjay Asher	None	3,42,500	Nil	Nil	3,42,500
f) Mr. M. Takahashi	None	Nil	Nil	Nil	Nil
g) Mr. N. Fujimoto	None	Nil	Nil	Nil	Nil
h) Mr. K. Kawamata	None	Nil	Nil	Nil	Nil
i) Mr. H. Takayama	None	Nil	Nil	Nil	Nil

The payments made to the Executive Directors & Managing Directors are in the nature of salary and perquisites as approved by the Remuneration Committee, the shareholders and the central government as required by the Companies Act, 1956 and other applicable regulations. No other benefits / stock options / bonuses, pensions are given to any of the Directors. There is no fixed component and performance linked incentive. There are no severance fees payable to the Executive Directors and Managing Director. The Company has not issued any stock options or any other convertible instruments to any of its Directors. The Company does not pay any remuneration to the non executive directors except sitting fees. Rs. 20,000/- are paid as sitting fees for attending every board meeting & audit committee meeting, Rs. 10,000/- are paid for attending every remuneration committee meeting and Rs. 7,500/- are paid for attending every investor grievance and transfer committee meeting.

• **REMUNERATION COMMITTEE :**

The terms of references of the Remuneration Committee pertain to determining the Company's policy on and approving remuneration packages for Managing Director / Executive Director. The Committee consists of three Non-Executive Independent Directors. The Remuneration Committee at the beginning of the year consisted of Mr. K. Kawamata (Chairman), Mr. S. S. Vaidya, and Mr. Sanjay Asher as the members. Mr. K. Kawamata, Chairman of the Committee resigned as a Director with effect from 29th January 2010 and also ceased to be the Chairman and member of the committee. The

Committee was reconstituted with effect from 29th January 2010 by inducting Mr. Hiroaki Takayama, Non Executive Independent Director of the Company as the Chairman of the Committee and since 29th January 2010 the committee consisted of Mr. Hiroaki Takayama (Chairman), Mr. S. S. Vaidya and Mr. Sanjay Asher as the members. One meeting of the committee was held on 26th May 2009 during the year under review to consider and approve the remuneration payable to Mr. Tadasu Sakamoto upon his appointment as the Executive Director of the Company with effect from 26th May 2009 for a period of three years & the said meeting was attended by the Chairman, Mr. K. Kawamata and other two members - Mr. S.S.Vaidya and Mr. Sanjay Asher.

• **AUDIT COMMITTEE :**

The Audit Committee consists of three non executive independent directors of the Company. The Audit Committee at the beginning of the year under review consisted of three Non - Executive and Independent Directors viz. Mr.S.S.Vaidya (Chairman), Mr.K.Kawamata and Mr. Sanjay Asher as the Members. Mr.K.Kawamata resigned as a Director with effect from 29th January 2010 and also ceased to be a member of the audit committee and the audit committee was reconstituted with effect from 29th January 2010 by inducting Mr. Hiroaki Takayama, Non Executive Independent Director of the Company as the Member of the Committee and since 29th January 2010 the audit committee consists of Mr. S.S. Vaidya, (Chairman), Mr. Hiroaki Takayama and Mr. Sanjay Asher as the members.

The Audit Committee met 4 (four) times in the year on May 26, 2009, July 29, 2009, October 30, 2009 and January 29, 2010. The attendance of the committee members is given in the separate table attached. The Audit Committee reviews on quarterly basis the reports submitted by Internal Auditors, Unaudited and Audited Financial Results and also reviews the matters falling within the scope of the committee as defined by the Board of Directors. The scope of the Committee includes -

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, re-appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing with management the annual financial statements before submission to the board, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b) Changes if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries based on exercise of judgement by management.
 - d) Significant adjustments arising out of audit findings
 - e) Compliance with stock exchange and legal requirements concerning financial statements.
 - f) Disclosure of any related party transactions
 - g) Qualifications in draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, and reports submitted by the internal auditors.

8. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
9. Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

• **SHAREHOLDERS'/INVESTORS' GRIEVANCE AND TRANSFER COMMITTEE :**

The Committee handles redressal of shareholders' and investors' complaints and oversees transfer of shares as well. The Committee at the beginning of the financial year 2009-2010 consisted of Mr. Sanjay Asher (Chairman), Mr. S.S.Vaidya Mr. K. Ajikawa and Mr. Y. Mizuno as the Members. Mr. Y. Mizuno resigned as a director as well as Executive Director w.e.f. 26th May 2009 and hence ceased to be the member of the committee. Hence the committee was reconstituted and Mr. Tadasu Sakamoto, Executive Director was appointed as the Member of the Committee w.e.f. 26th May 2009 and from that day the committee consists of Mr. Sanjay Asher (Chairman), Mr. S. S. Vaidya, Mr. K. Ajikawa and Mr. Tadasu Sakamoto as the Members. The status of complaints is reported to the Committee as well as the Board of Directors. The Committee met 23 times during the year 2009 - 2010. All queries pertaining to non-receipt of annual reports, transfer of shares, duplicate share certificates, change of address, dematerialization, rematerialization of shares, etc. were resolved to the satisfaction of the shareholders / investors. One complaint was received and redressed during the year.

Mr. Mayuresh Vaze, Company Secretary is the Compliance Officer. The Board has authorized Mr. Mayuresh Vaze to expedite process of share transfer and investors' grievances redressal.

The Shareholders' / Investor's Grievance and Transfer Committee has been delegated the powers to consider the transfer and transmission related issues and meets every fortnightly to look after share transfer process and redressal of investor's complaints. Link Intime India Private Limited, Pune, the Registrar & Transfer Agents conduct the share transfer and related work.

• **MANAGEMENT DISCUSSION AND ANALYSIS :**

A separate chapter on Management Discussion & Analysis is incorporated in the Annual Report.

• **DISCLOSURES**

There has been no instances of non-compliance by the Company. There are no penalties, strictures imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter related to capital market, during the last year.

None of the Senior Management Personnel has material, financial and commercial interest in the transactions that may have a potential conflict with that of the Company. As required by clause 49(IV)(F)(ii) of the Listing Agreement the Senior Management Personnel have given declarations to that effect.

There are no significant related party transactions of material nature, with its directors or their relatives, the management or any relative of the Senior Management personnel that may have potential conflict with the interests of the Company. Some of the employees nominated by Sharp Corporation, Japan holding positions in the Senior Management may be deemed to be interested as employees of Sharp Corporation, Japan.

The Company has complied with all mandatory requirements of the clause 49 of the listing and it is having 'remuneration committee' which is the only non mandatory requirement adopted by the Company.

AFFIRMATION OF COMPLIANCE OF CODE OF CONDUCT

The Board of Directors of the company has laid down a Code of conduct for all its Board Members and the Senior Management Personnel of the Company. All the Board Members and Senior Management Personnel of the Company have affirmed compliance of the said Code of Conduct and I hereby confirm the same.

Sd/-

Managing Director

The Code of Conduct has been posted on the company's website: www.sharpindialimited.com.

• **COMMUNICATION TO SHAREHOLDERS :**

The Company has its own website - www.sharpindialimited.com - for the benefit of the various stakeholders like customers, suppliers, investors and public at large. The Shareholding Pattern, Unaudited and Audited Financial Results, Annual reports are uploaded on the company's website. The quarterly unaudited results and audited yearly results are published generally in, Financial Express (English Daily) and Loksatta (Marathi daily). The shareholders can seek communication with the Company on the email address dedicated for investor communication- mayuresh.vaze@sharpindialimited.com.

• **DETAILS OF GENERAL BODY MEETINGS FOR LAST THREE YEARS:**

Financial Year	Date	Time	Venue
March 31, 2007	August 21, 2007	11:00 a.m	Registered Office
March 31, 2008	August 29, 2008	11:00 a.m.	Registered Office
March 31, 2009	Sept. 02, 2009	11:00 a.m.	Registered Office

No resolutions were passed during the last year through postal ballot.

ADDITIONAL INFORMATION TO SHAREHOLDERS

1. **ANNUAL GENERAL MEETING :**

Date : 20th September 2010
 Time : 11:00 a.m.
 Venue : Registered Office of the Company at Gat No.686/4, Koregaon Bhima, Tal. Shirur, Dist. Pune 412 216

2. **FINANCIAL YEAR**

: April 1 to March 31

3. **BOOK CLOSURE**

: The Books will be closed from Wednesday, 8th September 2010 to Monday, 20th September, 2010 (both days inclusive) as Annual Closure for the Annual General Meeting

4. **FINANCIAL CALENDAR -**

(Tentative and subject to change)

: Results for quarter ending June 30, 2010 - Last week of July 2010
 : Results for quarter and half-year ending September 30, 2010 - Last week of October 2010
 : Results for quarter and nine months ending December 2010 - Last week of January 2011
 : Results for the year ending March 31, 2011 - Last Week of May 2011

5. **LISTING ON STOCK EXCHANGES :**

The shares of the Company are listed on Bombay Stock Exchange Limited and Pune Stock Exchange Limited. The Company has paid the Listing fee for the year 2010-2011 to both the Stock Exchanges.

6. **STOCK CODE AND ISIN**

Stock codes : Pune Stock Exchange Limited, **KALSH**
 : Bombay Stock Exchange Limited, **523449**
 ISIN : INE207B01011 with NSDL and CDSL

7. MARKET PRICE DATA :

The monthly High and Low prices of the Equity Shares of the Company quoted on the Bombay Stock Exchange Limited along with the monthly Sensex for the year 2009 - 2010 is given below.

Table 3

MONTH	HIGH (Rs.)	LOW (Rs.)	BSE Sensex	
			High	Low
April 2009	17.50	10.00	11492.10	9546.29
May 2009	18.10	11.78	14930.54	11621.30
June 2009	19.70	15.20	15600.30	14016.95
July 2009	18.60	13.25	15732.81	13219.99
August 2009	22.50	15.85	16002.46	14684.45
September 2009	25.35	19.70	17142.52	15356.72
October 2009	24.65	20.55	17493.17	15805.20
November 2009	24.50	18.60	17290.48	15330.56
December 2009	32.45	21.55	17530.94	16577.78
January 2010	34.10	25.20	17790.33	15982.08
February 2010	29.85	23.30	16669.25	15651.99
March 2010	36.60	24.15	17793.01	16438.45

8. REGISTRAR AND SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM :

Link Intime India Private Limited, are the Registrar and Share Transfer Agents of the Company (R & T Agents). They deal with all matters pertaining to transfers, transmissions, subdivisions and consolidation of Company's securities and also correspondence for holdings in Physical or Dematerialized form of shares and replying to investor queries. It may be noted that the requests for demat of shares should be made by the investors to their respective depository participants. There are no legal proceedings against the Company on any share transfer matter.

9. SHAREHOLDING PATTERN (as on March 31, 2010) :

Category	No of Shares Held	Percentage to Total (%)
Promoters	20755200	80.0000
Mutual Funds	1700	00.0066
Foreign Institutional Investors	1200	00.0046
Bodies Corporate	587784	02.2655
Individuals below 1 Lakhs	3453263	13.3104
Individuals above 1 Lakhs	962776	03.7109
Clearing Members	69617	00.2683
Non - Resident Indian (Repat)	64147	00.2472
Non Resident Indians (Non - Repat)	48313	00.1862
TOTAL	25944000	100.0000

10. Distribution of Shareholding as on March 31, 2010

Shareholding of Nominal Value of		Share		Share Amount	
Rs.	Rs.	Number of Shareholders	% to Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Upto 5,000		12799	92.02	17593190	06.78
5,001 - 10,000		559	04.02	4799520	01.85
10,001 - 20,000		256	01.84	3963050	01.53
20,001 - 30,000		89	00.64	2309220	00.89
30,001 - 40,000		37	00.27	1329020	00.51
40,001 - 50,000		42	00.30	2009880	00.78
50,001 - 100,000		67	00.48	5093840	01.96
100,001 and above		60	00.43	222342280	85.70
TOTAL		13909	100.00	259440000	100.00

11. Dematerialisation :

The Company's Equity Shares are under compulsory dematerialized (demat) mode of trading. As on March 31, 2010, shares in dematerialized form accounted for 15.78% of total equity shares.

12. Details of Public funding obtained in the last three years :

No capital has been raised from Public during the last three years.

13. Outstanding GDRs / ADRs / Warrants and their likely impact on Equity :

There are no outstanding GDRs / ADRs / Warrants or other instruments.

14. Address for Investor Correspondence :

1) Secretarial Department,
Sharp India Limited,
Gat No.686/4, Koregaon Bhima,
Tal. Sirur, Dist. Pune 412 216
Phone No. (02137) 252417
Fax No. (02137) 252453
Email : mayuresh.vaze@sharpindialimited.com

2) Link Intime India Private Limited
202, 2nd Floor Akshay Complex,
Off. Dhole Patil Road, Near Ganesh Mandir,
Pune- 411 001
Tel: (020) 26051629
Fax: No.(020)- 2605 3503
Email: pune@linkintime.co.in

CERTIFICATE ON CORPORATE GOVERNANCE - MARCH 31, 2010

To,

The Members of Sharp India Limited, Pune

I have examined the compliance of conditions of Corporate Governance by Sharp India Limited ("the Company") for the year ended March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that no investor grievance is pending for a period exceeding one-month against the Company as per the records maintained by the Shareholders/Investor Grievance Committee.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sridhar G. Mudaliar
Company Secretary

Date : 2nd August, 2010
Place : Pune

Membership No.: FCS:6156
C P No : 2664

AUDITORS' REPORT

To
The Members of Sharp India Limited

- We have audited the attached balance sheet of Sharp India Limited as at March 31, 2010 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to above, we report that:
 - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
 - in the case of the profit and loss account, of the profit for the year ended on that date and
 - in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & Co.
Firm Registration No. 301003E
Chartered Accountants

per Ravi Bansal
Partner

Membership No.: 49365

Mumbai
May 28, 2010

Annexure referred to in paragraph 3 of our report of even date

Re : Sharp India Limited

- The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - Fixed assets have been physically verified by management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
 - There was no substantial disposal of fixed assets during the year.
- The management has conducted physical verification of inventory at reasonable intervals during the year.
 - The procedures of physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b), (c) and (d) of the Order are not applicable to the Company.
 - As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (f) and (g) of the Order are not applicable to the Company.
- In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- According to the information and explanations provided by the management, we are of the opinion that there are no particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 and hence clauses 4(v) (b) of the Order are not applicable to the Company.
- The Company has not accepted any deposits from the public.
- In our opinion, the Company has an internal audit system, which is commensurate with the size and nature of its business.
- We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
Further, since the Central Government has till date not prescribed the amount of cess payable under 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us and the records of the Company examined by us, the particulars of disputed amounts of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess as at March 31, 2010, which have not been deposited, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Excise Act 1944	MODVAT on WIP destroyed in fire	3,504,746	1999-2000	Customs/Central Excise and Service Tax Appellate Tribunal, Pune
Excise Act 1944	Remission of Excise Duty on Finished Goods destroyed in fire	7,778,232	1999-2000	Customs/Central Excise and Service Tax Appellate Tribunal, Pune
Service Tax (Finance Act 1994)	Service Tax on Royalty paid to Sharp Corporation Japan	478,629	August 2002 to March 2004	Commissioner Central Excise, Pune
Service Tax (Finance Act 1994)	Service Tax credit availed on Contract Carriage Services.	541,157	Feb. 06 to Nov. 06	Commissioner Central Excise, Pune
Service Tax (Finance Act 1994)	Service Tax credit availed on repairs and maintenance services	7,889,813	Aug. 03 to Nov. 06	Commissioner Central Excise, Pune
Service Tax (Finance Act 1994)	Service Tax credit availed on Canteen Services	587,038	Feb. 06 to Nov. 06	Dy. Commissioner Central Excise, Pune
Customs Act 1962	Demand notice for import of Refrigerators	3,161,503	April, 06 to Sep. 08	Assistant Commissioner Customs, Pune
Customs Act 1962	Provisional Assessment for import of refrigerators	1,778,298	Oct. 08 to Dec. 08	Appeal filed to Commissioner (Appeals), JNPT

Mumbai
May 28, 2010

For S. R. BATLIBOI & Co.
Firm Registration No. 301003E
Chartered Accountants

per Ravi Bansal
Partner

Membership No.: 49365

BALANCE SHEET AS AT MARCH 31, 2010

(All amounts in thousands of Rupees, unless otherwise stated)

	<u>Schedules</u>	<u>2010</u>	<u>2009</u>
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share capital	1	259,440	259,440
Reserves and surplus	2	180,600	180,600
		<u>440,040</u>	<u>440,040</u>
Loan Funds			
Secured loans	3	—	8,838
Unsecured loans	4	—	10,000
		<u>—</u>	<u>18,838</u>
Total		<u>440,040</u>	<u>458,878</u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
Gross block	5	888,214	872,882
Less: Accumulated depreciation/amortisation		<u>(762,421)</u>	<u>(749,447)</u>
Net block		<u>125,793</u>	<u>123,435</u>
Current Assets, Loans and Advances			
Inventories	6	145,190	115,360
Sundry debtors	7	90,651	73,282
Cash and bank balances	8	59,042	34,363
Other current assets	9	202	440
Loans and advances	10	44,714	92,673
		<u>339,799</u>	<u>316,118</u>
Less: Current Liabilities and Provisions			
Current liabilities	11	205,528	174,990
Provisions	12	22,650	24,392
		<u>228,178</u>	<u>199,382</u>
Net Current Assets		<u>111,621</u>	<u>116,736</u>
Profit and Loss account		<u>202,626</u>	<u>218,707</u>
Total		<u>440,040</u>	<u>458,878</u>
Notes to Accounts	19		

The schedules referred to above and Notes to Accounts form an integral part of the Balance Sheet

As per our report of even date

S. R. BATLIBOI & CO.
 Firm Registration No. 301003E
 Chartered Accountants
 per Ravi Bansal
 Partner
 Membership No. : 49365

Mumbai
 May 28, 2010

For and on behalf of the Board of Directors
 of Sharp India Limited
K. Ajikawa
 Managing Director
T. Sakamoto
 Executive Director
M. Vaze
 Company Secretary

Pune
 May 28, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(All amounts in thousands of Rupees, unless otherwise stated)

	<u>Schedules</u>	<u>2010</u>	<u>2009</u>
INCOME			
Turnover (Gross)		1,137,382	1,008,493
Sale of Services		5,951	6,098
Total		1,143,333	1,014,591
Less : Excise duty		(73,253)	(98,959)
Less : Service tax		(449)	(518)
Sales and service (Net)		1,069,631	915,114
Other income	13	10,630	4,190
		<u>1,080,261</u>	<u>919,304</u>
EXPENDITURE			
Raw materials consumed	14	546,949	435,908
Purchases of traded goods		174,679	128,912
Decrease in inventories	15	11,042	38,905
Personnel expenses	16	108,396	102,478
Operating & other expenses	17	194,158	181,232
Depreciation / amortisation	5	23,785	18,660
Financial expenses	18	5,154	10,953
		<u>1,064,163</u>	<u>917,048</u>
PROFIT BEFORE TAX		16,098	2,256
PROVISION FOR TAX			
Income Tax		—	—
Wealth Tax		17	27
Fringe benefit tax (FBT)		—	1,217
Taxes of earlier year (FBT)		—	212
NET PROFIT		16,081	800
(DEFICIT) BROUGHT FORWARD FROM PREVIOUS YEAR		(218,707)	(219,507)
(DEFICIT) carried to Balance sheet		<u>(202,626)</u>	<u>(218,707)</u>
Earning per Share			
Basic and diluted (in Rupees) (Refer note 21 of schedule 19)		0.62	0.03
Weighted average number of equity shares outstanding during the year		25,944,400	25,944,400
Nominal value of shares (in Rupees)		10	10

Notes to Accounts

19

The schedules referred to above and Notes to Accounts form an integral part of the Profit and Loss account

As per our report of even date

For and on behalf of the Board of Directors
of Sharp India Limited

S. R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants
per Ravi Bansal
Partner
Membership No. : 49365

K. Ajikawa
Managing Director
T. Sakamoto
Executive Director
M. Vaze
Company Secretary

Mumbai
May 28, 2010

Pune
May 28, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(All amounts in thousands of Rupees, unless otherwise stated)

	March 31, 2010		March 31, 2009
I. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax		16,098	2,256
Adjustments for:			
Depreciation / Amortisation	23,785		18,660
Unrealised Exchange (gain)	(1,370)		(11)
Interest expense	1,252		5,811
Interest income (gross)	(33)		-
Loss on sale of assets	105		283
Profit on Sale of Investments	-		(2)
Provisions no longer required written back	3,278		-
Provision for Warranty	4,826		(278)
Dividend Income	-		(1)
Provision for doubtful debts	1,008	32,851	1,264
Operating profit before working capital changes		48,949	27,982
Movements in Working Capital			
(Increase) / Decrease in Sundry debtors	(18,380)		40,441
(Increase) / Decrease in Inventory	(29,831)		43,731
Decrease / (Increase) in Loans and advances	48,195		(4,198)
Increase in Current liabilities and Provisions	22,123	22,107	3,047
Cash generated from operations		71,056	111,003
Payment of Taxes		(27)	(1,446)
NET CASH FROM OPERATING ACTIVITIES		71,029	109,557
II. CASH FLOW FROM INVESTING ACTIVITIES			
Additions to Fixed Assets		(26,869)	(8,910)
Proceeds from Sale of Fixed Assets		622	418
Dividend Income		-	1
Sale of Investment		-	38
Interest Received		33	-
NET CASH USED IN INVESTING ACTIVITIES		(26,214)	(8,453)
III. CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(18,838)	(95,584)
Interest Paid		(1,298)	(5,784)
NET CASH USED IN FINANCING ACTIVITIES		(20,136)	(101,368)
Net Increase in Cash and Cash Equivalents (I + II + III)		24,679	(264)
Cash and Cash Equivalents at the beginning of the year		34,363	34,627
Cash and Cash Equivalents at the end of the year		59,042	34,363
Components of cash and cash equivalents as at	March 31, 2010	March 31, 2009	
Cash in hand	136	259	
Balances with bank on current account :			
On current accounts	18,586	3,938	
Cheques on hand	40,320	30,166	
Total	59,042	34,363	

As per our report of even date

S. R. BATLIBOI & CO.
 Firm Registration No. 301003E
 Chartered Accountants
 per Ravi Bansal
 Partner
 Membership No. : 49365

Mumbai
 May 28, 2010

For and on behalf of the Board of Directors
 of Sharp India Limited
K. Ajikawa
 Managing Director
T. Sakamoto
 Executive Director
M. Vaze
 Company Secretary

Pune
 May 28, 2010

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

(All amounts in thousands of Rupees, unless otherwise stated)

	<u>2010</u>	<u>2009</u>
1. SHARE CAPITAL		
Authorised Capital		
40,000,000 (Previous year 40,000,000) equity shares of Rs. 10/- each	<u>400,000</u>	<u>400,000</u>
Issued and subscribed and paid up		
25,944,000 (Previous year 25,944,000) equity shares of Rs. 10/- each, fully paid-up	<u>259,440</u>	<u>259,440</u>
Of the above, 20,755,200 (Previous year 20,755,200) equity shares of Rs. 10/- each, are held by Sharp Corporation, Japan, the Holding Company.		
2. RESERVES AND SURPLUS	<u>2010</u>	<u>2009</u>
Capital reserve		
- Special capital incentive received from the Government of Maharashtra	<u>2,000</u>	<u>2,000</u>
Securities premium account	<u>178,600</u>	<u>178,600</u>
	<u>180,600</u>	<u>180,600</u>
3. SECURED LOANS	<u>2010</u>	<u>2009</u>
Cash credit from banks	<u>-</u>	<u>8,838</u>
(The above is secured by first hypothecation charge on the Company's entire stock of raw materials, finished goods, work-in-progress, spares and packing material, book debts and movable plant and machinery.)		
4. UNSECURED LOANS	<u>2010</u>	<u>2009</u>
Short term loans from banks	<u>-</u>	<u>10,000</u>

5. FIXED ASSETS

	TANGIBLES						INTANGIBLES			TOTAL	
	Land- Freehold [Refer Note No.1]	Factory Buildings	Plant and machinery	Moulds, jigs and fixtures	Furniture fittings and equipment	Computers	Vehicles	Total	Technical know how	SAP Software	Grand Total Previous year
Gross Block											
As at April 01, 2009	1,931	90,916	368,357	276,009	30,303	53,290	9,704	830,510	826,910	28,772	872,882
Additions	-	-	11,351	11,958	185	996	1,867	26,357	7,159	512	26,869
Deductions	-	-	142	-	306	8,342	2,747	11,537	3,559	-	11,537
As at March 31, 2010	1,931	90,916	379,566	287,967	30,182	45,944	8,824	845,330	830,510	29,284	888,214
Accumulated depreciation / amortisation											
As at April 01, 2009	-	38,232	336,734	259,891	21,995	48,674	4,712	710,238	694,830	25,609	749,447
For the year	-	2,820	5,111	8,753	2,117	1,711	2,664	23,176	18,266	609	23,785
deletions	-	-	142	-	288	8,342	2,039	10,811	2,858	-	10,811
As at March 31, 2010	-	41,052	341,703	268,644	23,824	42,043	5,337	722,603	710,238	26,218	762,421
Net Block											
As at March 31, 2010	1,931	49,864	37,863	19,323	6,358	3,901	3,487	122,727	120,272	3,066	125,793
As at March 31, 2009	1,931	52,684	31,623	16,118	8,308	4,616	4,992	120,272	132,080	3,163	123,435

Note No. 1

Freehold land includes Rs.1,812,000/- paid for the acquisition of land at Koregaon Bhima. Although the Company possesses the title deeds to this land, the final purchase consideration is still to be determined. Management believes that no additional claims are likely to be made against the Company consequent to the finalisation of the purchase consideration.

6. INVENTORIES (At lower of cost & net realisable value)	2010	2009
Raw materials and components (including material in transit Rs. 22,073,801 (Previous Year Rs.5,488,950))	85,995	45,514
Stores and packing materials	798	407
Work-in-progress	1,858	1,781
Traded and manufactured finished goods (including material in transit Rs. 5,503,986 (Previous Year Rs. 5,036,047))	56,539	67,658
	<u>145,190</u>	<u>115,360</u>
7. SUNDRY DEBTORS (unsecured)	2010	2009
Debts outstanding for a period exceeding six months		
- Considered good	-	568
- Considered doubtful	55,538	70,756
Other debts		
- Considered good	90,651	72,714
- Considered doubtful	3,615	641
Sub Total	<u>149,804</u>	<u>144,679</u>
Less: Provision for doubtful debts	<u>(59,153)</u>	<u>(71,397)</u>
	<u>90,651</u>	<u>73,282</u>
Included in Sundry Debtors		
Dues from companies under the same management		
P T Sharp Electronics Indonesia	-	1,242
Sharp Business Systems India Limited	879	-
Sharp Electronics (Malaysia) SDN. BHD., Malaysia	73	-
8. CASH AND BANK BALANCES	2010	2009
Cash on hand	136	259
Balances with scheduled banks	-	-
- current accounts	1,999	1,756
- cash credit accounts	16,587	2,182
Cheques in hand and in transit	<u>40,320</u>	<u>30,166</u>
	<u>59,042</u>	<u>34,363</u>
9. OTHER CURRENT ASSETS	2010	2009
Unamortised Premium on forward contract	202	440
	<u>202</u>	<u>440</u>
10. LOANS AND ADVANCES	2010	2009
(Unsecured, Considered Good)		
Advances recoverable in cash or kind or for value to be received	18,289	67,207
Balances with customs, excise authorities, etc.	5,248	3,750
Special additional duty receivable	9,204	7,963
Deposits - others	10,952	13,369
Advance Tax for FBT (Net of provision for FBT Rs. 2,453,055 Previous year Rs. 2,453,055)	10	10
Advance Income tax (Net of provision for tax Rs. Nil (Previous year Rs. Nil))	1,011	374
	<u>44,714</u>	<u>92,673</u>
Included in Advances recoverable in cash or kind or value to be received :	2010	2009
Dues from companies under the same management as listed below :		
Sharp Electronics (Malaysia) SDN. BHD. Malaysia	-	2,871
Sharp Appliances (Thailand) Ltd., Thailand	-	29
Sharp Business Systems (India) Limited	272	679
Maximum amount outstanding during the year, from companies under the same management as listed below :	2010	2009
Sharp Electronics (Malaysia) SDN. BHD., Malaysia	2,871	4,852
Sharp Manufacturing Thailand Co. Ltd., Thailand	-	367
Sharp Appliances (Thailand) Ltd., Thailand	29	29
Sharp Roxy Electronics Corporation (M) SDN.BHD	-	348
Sharp Business Systems (India) Limited	1,928	1,590

	2010	2009
11. CURRENT LIABILITIES		
Acceptances	52,820	63,642
Sundry creditors (Refer note no. 14 of schedule 19)	134,676	99,597
Other liabilities	14,217	9,292
Advance from customers	3,563	1,914
Security deposits from customers	50	59
Interest accrued but not due	-	46
Unamortized premium liability	202	440
	<u>205,528</u>	<u>174,990</u>
12. PROVISIONS	2010	2009
Provision for wealth tax	17	27
Provision for Gratuity (Refer note no. 11 of schedule 19)	5,746	10,130
Provision for leave encashment	9,441	11,615
Provision for product warranties (Refer note no. 6 of schedule 19)	7,446	2,620
	<u>22,650</u>	<u>24,392</u>
13. OTHER INCOME	2010	2009
Sale of scrap	1,958	2,225
Interest income (TDS Rs. 7,587 Previous Year : 8,000)	33	39
Sales tax refunds for earlier years	-	1,044
Miscellaneous income	-	8
Profit on sale of investments	-	2
Provision no longer required written back	3,184	-
Dividend income	-	1
Exchange rate difference (net)	5,361	-
Sundry credit balances written back (net)	94	871
	<u>10,630</u>	<u>4,190</u>
14. RAW MATERIAL CONSUMED	2010	2009
Inventories as at April 1, 2009	45,514	50,443
Add : Purchases during the year	587,430	430,979
Less : Inventories as at March 31, 2010	85,995	45,514
	<u>546,949</u>	<u>435,908</u>
15. DECREASE IN INVENTORIES	2010	2009
Inventories as at April 1, 2009		
Traded and Manufactured Finished goods (Including material in transit)	67,658	107,351
Work in progress	1,781	993
TOTAL (A)	<u>69,439</u>	<u>108,344</u>
Less : Inventories as at March 31, 2010		
Traded and Manufactured Finished goods (Including material in transit)	56,539	67,658
Work in progress	1,858	1,781
TOTAL (B)	<u>58,397</u>	<u>69,439</u>
Decrease in Inventories (A - B)	<u>11,042</u>	<u>38,905</u>
Excise duty on Finished Goods - Opening Stock	868	4,196
Excise duty on Finished Goods - Closing Stock	454	868
Decrease in excise duty	<u>414</u>	<u>3,328</u>

16. PERSONNEL EXPENSES	2010	2009
Salaries, wages and bonus	85,924	79,535
Staff welfare	12,649	12,034
Contributions to provident fund	3,385	3,095
Grauity Expenses (Refer note no. 11 of schedule 19)	1,656	3,440
Contributions to pension fund	1,870	1,912
Contributions to super annuation fund	2,836	2,391
Contributions to employees' deposit linked insurance	76	71
	<u>108,396</u>	<u>102,478</u>
17. OPERATING AND OTHER EXPENSES, net	2010	2009
Consumption of stores, spares & packing materials	21,962	20,067
Freight, Octroi, Transit Insurance	35,817	37,229
Power, Fuel, Water Charges	5,293	5,473
Packing & forwarding charges	19,094	15,217
Rent	12,152	14,091
Rates & Taxes	1,388	1,440
Repairs and Maintenance		
- Plant & Machinery	677	1,429
- Building	191	293
- Others	3,438	3,780
Insurance	1,692	2,004
Travel	10,257	12,002
Communication Expenses	9,470	10,316
Directors sitting Fees	685	515
Provision For Doubtful Debts	1,008	1,264
Advertisement expenses	4,124	5,198
Professional Fees & Expenses	5,956	5,853
Auditors remuneration (Refer note No. 16 (i) of schedule 19)	2,294	2,278
Decrease in Excise duty on inventory (Refer note no. 12 of schedule 19)	414	3,328
Turnover & Additional Sales Tax	60	94
Sales Promotion Expenses	26,699	23,447
Printing & Stationary	1,055	1,029
Processing Charges	201	16
Service tax	1,457	1,780
Loss On Sale Of Assets net	105	283
Product Warranty Expenses (Refer note no. 6 of schedule 19)	4,826	(278)
Exchange rate difference (net)	-	18,990
After Sales Service Charge	11,732	14,059
Miscellaneous expenses	12,631	10,501
	<u>194,678</u>	<u>211,698</u>
Less : Reimbursements (Refer note no. 8 of Schedule 19)	-	(28,327)
Less : Insurance claims*	(520)	(2,139)
	<u>194,158</u>	<u>181,232</u>
18. FINANCIAL EXPENSES	2010	2009
Interest - On fixed loans	206	4,876
Interest - Others	1,046	935
Bank Charges	3,902	5,142
	<u>5,154</u>	<u>10,953</u>

* Insurance claims represents recovery of amounts from the insurance company towards incidental expenses incurred towards warranty claims.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

(All amounts in thousands of Rupees, unless otherwise stated)

Schedule 19 : NOTES TO ACCOUNTS**1. Background**

Sharp India Limited ('the Company') was incorporated on July 5, 1985. The Company is principally engaged in the manufacture and sale of colour televisions & LCD TV's. Further, the Company is also engaged in trading microwave ovens, refrigerators, colour televisions, LCD TV's, air conditioners and audio systems.

Sharp Corporation ('Sharp'), a company incorporated in Japan, holds 80 per cent of the issued share capital of the Company. The Company has a technical collaboration with Sharp for the manufacture of colour televisions ('CTVs').

2. Statement of significant accounting policies**(a) Basis of Preparation**

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rule, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed assets, Intangible Assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment loss if any. Costs comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Intangible assets are recorded at the consideration paid for their acquisition. They are amortised on straight line method as given below:-

SAP Software - 6 years

Technical Know-how - 10 years

Depreciation on tangible assets is provided using the straight line method as per useful lives of the asset estimated by the management or at the rates specified in Schedule XIV to the Act, whichever is higher.

	%
Buildings	
- Factory	3.34
- Others	1.63
Plant and machinery	5.38*
Moulds, jigs and fixtures	16.21*
Furniture, fittings and equipment	4.75 - 6.33
Computers	16.21 - 25.00
Vehicles	20

* Plant and machinery, Moulds, jigs and fixtures identified and evaluated technically as obsolete by management are stated at their estimated net realisable values.

Depreciation on fixed assets added during the year is provided on pro rata basis with reference to date of addition except for assets individually costing below Rs 5,000 are fully depreciated in the year of purchase.

(d) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(e) Leases

Operating Lease

Where Company is Lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(f) Inventories

Inventories are valued as follows :

Raw Material, Components, Stores, Packing Material and spares	: Lower of cost and net realizable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress and finished goods	: Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
Traded Goods	: Traded goods are valued at lower of cost and net realizable value. Cost is determined on weighted average basis and includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(g) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods and Services

Sales is recognised on the basis of actual despatch to customers and are recorded net of discounts and sales taxes, but including excise duty. Revenue from service contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(h) Product Warranty Costs

Product warranty costs have been provided in the books of account on the basis of expected claims as estimated by management.

(i) Foreign currency translation

Foreign currency transactions :

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(j) Retirement benefits

Retirement benefits to employees comprise contributions to gratuity, superannuation and provident funds as per the approved scheme of the Company.

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Accounts of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Contributions to superannuation fund with LIC through its employees' trust are charged to the profit and loss account on an accrual basis. There are no other obligations other than the contribution made each year.

Gratuity liability is a defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(k) Income tax

Tax expense comprises of current & deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer virtually certain, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes virtually certain, that sufficient future taxable income will be available.

(l) Earnings per share

Basic earnings/loss per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(m) Provisions

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed by way of Notes to the accounts. Contingent assets are not recognised.

(n) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprises of cash at bank and in hand.

3. PAYMENT TO DIRECTORS	2010	2009
Salary	1,460	1,380
Perquisites [See note (a) below]	907	952
(i) Director Remuneration (Managing Director and Executive Director)	2,367	2,332
(ii) Other Cost - Director sitting fees (Non-executive directors)	685	515
	<u>3,052</u>	<u>2,847</u>

Note :

- (a) Perquisites have been determined on actual cost basis.
 (b) The Company has made payments for managerial remuneration for which Central Government approval has been received.
 (c) There are no amounts payable to directors towards gratuity and compensated absences and therefore not included above.

4. CONTINGENT LIABILITIES	2010	2009
Claims against the Company not acknowledged as debts		
- Central Excise authorities	20,780	20,095
	<u>20,780</u>	<u>20,095</u>

Based on the opinion of the legal counsel of the Company, all contingent liabilities as at balance sheet date have been assessed as remote. Claims against the Company for Central Excise pertain to claim for (i) centvat on work-in-progress and finished goods destroyed by fire and (ii) service tax on royalty paid to Sharp Corporation, Japan, and service tax on contract carriage services, repairs and maintenance and canteen services.

5. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE**Particulars of Derivatives****Purpose**

Forward contract outstanding as at Balance Sheet date

Buy USD 738,429 (2009- USD 1,414,296)

Hedge against USD liabilities

(These amounts are not in thousands)

Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date

Particulars	Foreign Currency	In Foreign Currency	Amount
Creditors	USD	1,100	49,422
	JPY	2,144	1,056
	USD	(123)	(6,746)
Loans & Advances	USD	—	—
	USD	(56)	(2,870)
	JPY	(1,720)	(886)
Debtors	USD	1.62	73
	USD	(24)	(1,242)

6. PRODUCT WARRANTY

In pursuance of accounting standard - 29, 'Provisions, contingent liabilities and contingent assets' notified under the Companies (Accounting Standards) Rules, 2006, the provisions required have been incorporated in the books of account in the following manner;

Particulars	Opening Balance	Additions during the year	Amounts used during the year	Unused amounts reversed during the year	Closing Balance
Product Warranty	2,620	7,446	—	2,620	7,446
Previous year	2,898	1,166	—	1,444	2,620

The provision for product warranty represents the expected claims on account of field failure of parts and expected expenditure of servicing the products over the period of free warranty, which varies on the product type and model sold, the field failure rate of key parts, the current cost of components etc.

7. LEASE COMMITMENTS

The Company has entered into operating lease agreements for the rental of property. Typically, lease agreements are for a period of one to three years and contain provisions for early termination. There is also an office premises taken by the Company on operating lease with a non-cancellable three year term. There are no restrictions imposed by leased agreements. There are no subleases. The lease rental charge during the year for such agreement is Rs. 1,870 (Previous Year Rs. 4,345) and maximum obligation on long-term non-cancellable operating lease payable as per the rentals stated in the agreement is as follows;

Lease payments on cancellable operating leases during the year Rs.10,282 (Previous Year Rs. 9,746).

Obligations on non-cancellable operating leases

	Year ended March 31	
	2010	2009
Not later than one year	2,040	4,345
Later than one year and not later than five years	2,210	2,172
Later than five years	—	—

The disclosure made above is only in case of non-cancellable lease.

8. REIMBURSEMENTS FROM HOLDING COMPANY

During the year ended March 31, 2010, the Company has provided for doubtful debts aggregating Rs.1,008 (previous year Rs.15,864) of which Rs. Nil (previous year Rs.14,600) is reimbursed by Sharp Corporation, Japan. The provision for doubtful debts aggregating Rs.1,008 (previous year Rs.1,264) debited to profit and loss account is after netting off the reimbursement of Rs. Nil (previous year Rs.14,600).

During the current year, the Company has received Rs. Nil (Previous year Rs.28,327) as reimbursements from Sharp Corporation, Japan, towards Selling and General Administration expenses and Rs. Nil, (Previous Year Rs.42,472) as yearly discount on raw material and components and finished goods purchased from it and other group companies.

9. RELATED PARTY TRANSACTIONS

(a) The names of the related parties under the appropriate relationship included in notes 9(b) and 9(c) are as follows:

Sr No	Type of relationship	Name of the party
1.	Holding Company	Sharp Corporation - Japan
2.	Fellow Subsidiary	Sharp Electronics (Malaysia) SDN. BHD., Malaysia Sharp Manufacturing Co.(M) SDN BHD Sharp Business Systems (India) Limited Sharp Manufacturing Thailand Co. Ltd., Thailand Sharp Appliances (Thailand) Ltd., Thailand P.T. Sharp Electronics Indonesia. Sharp Roxy Sales (Singapore) Pte. Ltd. Sharp Electronics (SINGAPORE)PTE LTD
3.	Key Management Personnel	Mr Y. Mizuno (Upto May 26, 2009) Mr T. Sakamoto (w.e.f. May 26, 2009) Mr. K. Ajikawa

(b) Transactions with related parties as per the books of account during the year ended March 31, 2010

Nature of the transaction	2010				2009			
	Holding Company	Fellow Subsidiary	Key Management Personnel	Total 2010	Holding Company	Fellow Subsidiary	Key Management Personnel	Total 2009
Sale of Goods and Raw Material	-	12,205	-	12,205	-	2,894	-	2,894
Purchases of Fixed Assets	-	645	-	645	-	436	-	436
Purchase of goods	4,187	560,499*	-	564,686	11,837*	217,821*	-	229,658
Reimbursement of expenses received from (net)	3,020	905	-	3,925	46,615	3,438	-	50,053
Purchases of Service	-	85	-	85	-	80	-	80
Salary paid for services received	-	-	2,367	2,367	-	-	2,332	2,332

* Net of discounts received

List of material transactions with fellow subsidiaries:

Type of transaction	Type of relationship	Name of the entity/person	2010	2009
Purchase of goods	Fellow subsidiary	Sharp Electronics (Malaysia) SDN. BHD., Malaysia	428,917	90,431
		Sharp Manufacturing Thailand Co. Ltd., Thailand	-	4,691
		Sharp Appliances Thailand Ltd., Thailand	41,150	42,918
		Sharp Manufacturing Co.(M) SDN. BHD	88,016	49,496
		P. T. Sharp Electronics Indonesia	2,416	30,285
			<u>560,499</u>	<u>217,821</u>
Sale of goods and raw material	Fellow subsidiary	Sharp Business Systems India Limited	11,428	-
		P. T. Sharp Electronics Indonesia	149	2,894
		Sharp Manufacturing Thailand Co. Ltd., Thailand	10	-
		Sharp Electronics (Malaysia) SDN. BHD., Malaysia	618	-
			<u>12,205</u>	<u>2,894</u>
Purchase of Fixed Assets	Fellow Subsidiary	Sharp Electronics (Malaysia) SDN. BHD., Malaysia	585	259
		Sharp Business Systems India Limited	60	163
		Sharp Appliances Thailand Ltd., Thailand	-	14
			<u>645</u>	<u>436</u>
Purchase of Services	Fellow Subsidiary	Sharp Business Systems India Limited	<u>85</u>	<u>80</u>
Managerial remuneration	Key management personnel	Mr Y. Mizuno	127	1,064
		Mr T. Sakamoto	1,004	-
		Mr. K. Ajikawa	1,237	1,268
			<u>2,368</u>	<u>2,332</u>

(c) Amounts outstanding as at March 31, 2010

	Balance outstanding at year end			
	Holding Company	Fellow Subsidiary	Holding Company	Fellow Subsidiary
Sundry Debtors	-	952	-	1,242
Sundry Creditors	5,231	47,256	27	15,300
Loans and Advances	-	272	50,695	3,578
Sundry Debtors				
Sharp Electronics (Malaysia) SDN. BHD., Malaysia		73		-
P T Sharp Electronics Indonesia		-		1,242
Sharp Business Systems India Limited		879		-
		<u>952</u>		<u>1,242</u>
Sundry Creditors				
Sharp Electronics (Malaysia) SDN. BHD., Malaysia		29,740		354
P T Sharp Electronics Indonesia		375		-
Sharp Appliances Thailand Ltd., Thailand		14,591		9,910
Sharp Manufacturing Thailand Co. Ltd., Thailand		2,550		5,036
		<u>47,256</u>		<u>15,300</u>
Loans and Advances				
Sharp Electronics (Malaysia) SDN. BHD., Malaysia		-		2,871
Sharp Appliances Thailand Ltd., Thailand		-		29
Sharp Business Systems India Limited		272		679
		<u>272</u>		<u>3,579</u>

10. SEGMENT REPORTING

The Company is exclusively engaged in the business of 'consumer electronics' consisting of all types of Colour Televisions and other products which is considered to constitute one single primary segment in context of Accounting Standard (AS) - 17 on Segment Reporting, notified under the Companies (Accounting Standard) Rules, 2006. Further the Company mainly caters to the needs of the Indian market & the export turnover being approx. 0.07% (Previous Year 0.32%) of the total turnover of the company. Hence there are no reportable geographical segments.

11. POST EMPLOYMENT BENEFITS**Defined Contribution Plans -**

The Company has recognized the following amounts in the Profit and Loss Account for the year :

Particulars	March 31, 2010	March 31, 2009
Provident Fund	3,385	3,095
Superannuation Fund	2,836	2,391

Defined Benefit Plans -

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on departure, computed based on the Company's gratuity scheme for each completed year of service. The scheme is funded with an insurance company. The following tables summarises the components of net benefit expense recognised in the profit and loss account and the funded status and the amount recognised in the balance sheet for the respective plans.

The principal assumptions used in determining defined benefit gratuity plan obligations are shown below:

Particulars	March 31, 2010	March 31, 2009
Discount rate	8.15%	7.10%
Expected rate of return on plan assets	7.50%	7.50%
Salary escalation rate	6% for Bargainable & 8% for Non-Bargainable	5% for Bargainable & 7% for Non-Bargainable
Attrition rate	2%	2%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Net employees benefit expense recognised in the Profit and Loss Account

Particulars	March 31, 2010	March 31, 2009
Current Service Cost	3,054	2,845
Interest on defined benefit obligation	3,035	2,904
Expected return on plan assets	(2,330)	(1,965)
Net actuarial (gain)/loss recognised in the year	(2,103)	(507)
Net Benefit expense	1,656	3,277
Actual return on plan assets	2,609	2,823

* The Company expects to contribute Rs.500 to gratuity in 2010-11.

** During the year Company has paid premium to LIC Rs.6,040 (Previous Year: Rs.3,077), which has been included in the Gratuity expenses.

The following table summarises the components of net benefit balance recognized in the balance sheet:

Details of defined benefit gratuity plan

Particulars	March 31, 2010	March 31, 2009
Defined benefit obligation	43,061	40,458
Fair value of plan assets	37,315	30,328
Plan Liability	5,746	10,130

Changes in the present value of the defined benefit gratuity plan are as follows:

Particulars	March 31, 2010	March 31, 2009
Opening defined benefit obligation	40,458	35,420
Interest cost	3,035	2,904
Current service cost	3,054	2,844
Benefits paid	(1,662)	(1,062)
Actuarial (gains)/losses on obligation	(1,825)	352
Closing defined benefit obligation	43,060	40,458

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2010	March 31, 2009
Opening fair value of plan assets	30,328	25,489
Expected return	2,330	1,965
Contributions by employer	6,040	3,077
Benefits paid	(1,662)	(1,062)
Actuarial gains / (losses)	279	859
Closing fair value of plan assets	37,315	30,328

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2010	2009
Investments with LIC	100%	100%

12. In accordance with ASI 14 (revised) on 'Disclosure of revenue from Sales Transaction' issued by the Institute of Chartered Accountants of India, excise duty on sales amounting to INR 73,253 (Previous year INR 98,959) has been reduced from sales in profit and loss account and excise duty on decrease in stock amounting to INR. 414 (Previous Year INR 3,328) has been considered as expense in schedule 17 of the financial statements.

13. DEFERRED TAX BALANCES

The break up of components of deferred tax, net is as given below

	March 31, 2010	March 31, 2009
Deferred tax asset		
Unabsorbed Depreciation	24,388	24,955
Provision for Product Warranty	2,473	891
Provision for Doubtful Debts	19,649	24,268
Provision for leave salary	3,136	3,948
Disallowance u/s 43 B	6,988	6,952
VRS Expenditure	-	1,509
(A)	56,634	62,523
Deferred tax liabilities		
Difference in WDV as per Income tax and as per books	(15,467)	(17,358)
(B)	(15,467)	(17,358)
Deferred tax asset, net	41,167	45,165

In accordance with Accounting Standard 22 "Accounting for Taxes On Income" notified under the Companies (Accounting Standards) Rules, 2006, in view of there being no virtual certainty for availability of sufficient future taxable income against which the deferred tax assets of Rs.41,167 (Previous Year Rs. 45,165) (net) as at the close of the year can be realized, the same have not been recognized and has been restricted to the deferred tax liability which is an evidence of virtual certainty.

14. As at March 31, 2010, no supplier has intimated the Company about its status as Micro or Small enterprise or its registration with the appropriate authorities under the Micro Small and Medium Enterprises Development Act, 2006.

15. WRITE BACK OF LIABILITIES OF PREVIOUS YEAR

During the year, the Company has written back liabilities of earlier years no longer required in respect of sales promotion expenses amounting to Rs. 7,742 (Previous year Rs. Nil) and which has been credited to the corresponding expense account.

16. Additional information pursuant to the provisions of paragraph 3, 4, 4C & 4D of Part 11 of Schedule VI to the Companies Act 1956.

(a) Licensed capacity, installed capacity and production (in number of units)

Items	Licensed capacity per annum		Installed capacity per annum*		Production for the year	
	2010	2009	2010	2009	2010	2009
Colour TV receivers, LCD and sub-assemblies thereof	300,000	300,000	200,000	200,000	136,066	109,881
Video cassette recorders/ video cassette players/ video tape deck mechanisms	500,000	500,000	335,000	335,000	-	-
Two-in-one radio-cum-cassette recorders (audio products)	**	**	90,000	90,000	-	-
Radio receivers combined with sound recorders reproducing apparatus	**	**	24,000	24,000	-	-
Video Compact Disk Player	**	**	10,000	10,000	-	-

* On single shift basis, some of the capacities are inter-changeable with other products depending on the need.

** Registered with Ministry of Industry, Government of India.

Installed capacity has been certified by the Company, this being a technical matter.

(b) Quantitative details of manufactured goods

	Year	OPENING STOCK		CLOSING STOCK		**SALES		*OTHERS
		Qty	Amount	Qty	Amount	Qty	Amount	Qty
Colour TV receivers	2010	3,062	20,155	2,946	15,047	129,182	758,874	41
	2009	7,908	38,913	3,062	20,155	110,748	700,977	28
CTV-Sub-Assembly	2010	-	-	-	-	201	778	-
	2009	-	-	-	-	946	2,894	-
LCD TV	2010	104	3,234	806	9,393	6,021	87,381	35
	2009	-	-	104	3,234	2,893	65,460	8
VCR-EXPORT	2010	11	-	-	-	-	-	11
	2009	11	-	11	-	-	-	-
SPARES	2010	-	8,789	-	4,779	-	9,784	-
	2009	-	10,820	-	8,789	-	8,911	-
Total	2010		32,178		29,219		856,817	
	2009		49,733		32,178		778,242	

* Others pertain to Stock written off during the year.

(c) Quantitative details of traded goods

	Year	OPENING STOCK		PURCHASES		CLOSING STOCK		**SALES		*OTHERS
		Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty
Colour TV	2010	946	7,803	-	-	25	-	915	9,958	6
Receivers	2009	440	1,730	1,078	10,532	946	7,803	548	3,892	24
Microwave	2010	8	-	2,054	12,949	1,182	7,278	868	7,088	12
Ovens	2009	32	103	1	43	8	-	15	125	10
DVD	2010	1	-	-	-	57	-	(56)	(118)	-
	2009	25	-	-	-	1	-	1	(9)	23
LCD TV	2010	475	7,016	7756	112,119	215	10,001	7,961	188,787	55
	2009	785	44,263	4,537	51,830	475	7,016	4,807	140,686	40
Refrigerator	2010	863	20,662	1,883	43,732	378	7,410	2,357	73,982	11
	2009	591	11,522	3,797	66,507	863	20,662	3,491	85,528	34
Air Purifier	2010	-	-	763	5,879	692	2,631	65	887	6
	2009	-	-	-	-	-	-	-	-	-
Washing Machine	2010	-	-	-	-	-	-	-	(19)	-
	2009	3	-	-	-	-	-	3	29	-
Total	2010		35,481		174,679		27,320		280,565	
	2009		57,618		128,912		35,481		230,251	

* Others pertain to Stock written off during the year.

** The above does not include service income of Rs. 5,502 (Previous year Rs. 5,580)

(d) Raw materials and components consumed (quantities in number of units)

	<u>2010</u>		<u>2009</u>	
	<u>Qty</u>	<u>Amount</u>	<u>Qty</u>	<u>Amount</u>
Colour picture tubes	129,352	271,818	106,150	191,547
Other	***	275,131	***	244,361
		<u>546,949</u>		<u>435,908</u>

*** It is not practicable to furnish quantitative information of components consumed in view of considerable number of items, of diverse in size and number.

(e) (i) Value of imported and indigenous raw materials and components consumed

	<u>2010</u>		<u>2009</u>	
	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>
Imported	82.58	451,696	82.86	361,187
Indigenous	17.42	95,253	17.14	74,721
	<u>100.00</u>	<u>546,949</u>	<u>100.00</u>	<u>435,908</u>

ii) Value of imported and indigenous stores and packaging materials consumed

	<u>2010</u>		<u>2009</u>	
	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>
Imported	-	-	0.52	104
Indigenous	100.00	21,962	99.48	19,963
	<u>100.00</u>	<u>21,962</u>	<u>100.00</u>	<u>20,067</u>

(f) Value of imports on CIF basis

	<u>2010</u>	<u>2009</u>
Raw material and components	466,858	334,806
Capital goods	19,271	1,084
Spare parts	1,997	2,674
Traded items	122,461	142,730
	<u>610,587</u>	<u>481,294</u>

(g) Expenditure in foreign currency (on accrual basis)

	<u>2010</u>	<u>2009</u>
Travel	885	792
Management Consultancy Fees	1,352	909
Global Network Charges	1,644	1,666
Interest and bill negotiation charges	1,059	1,330
Others	2,012	-
	<u>6,952</u>	<u>4,697</u>

(h) Earnings in foreign currency (on accrual basis)

	<u>2010</u>	<u>2009</u>
Export at FOB value	704	1,652

(i) Payment to auditors comprises:

	<u>2010</u>	<u>2009</u>
As auditors	1,430	1,430
As tax auditors	150	150
Limited review	400	400
Reimbursement of out-of-pocket expenses and service tax	314	298
	<u>2,294</u>	<u>2,278</u>

17. There are no capital commitments outstanding as at the year end (Previous Year Rs. Nil)
Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

As per our report of even date

S. R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants
per Ravi Bansal
Partner
Membership No. : 49365

Mumbai
May 28, 2010

For and on behalf of the Board of Directors
of Sharp India Limited

K. Ajikawa
Managing Director
T. Sakamoto
Executive Director
M. Vaze
Company Secretary

Pune
May 28, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(All amounts in thousands of Rupees, unless otherwise stated)

(a) Registration detailsRegistration number **3 6 7 5 9**State code **1 1**Balance sheet date **3 1** **0 3** **2 0 1 0**
Date Month Year**(b) Capital raised during the year**

Public issue

N I L

Rights issue

N I L

Bonus issue

N I L

Private placement

N I L**(c) Position of mobilisation and deployment of funds**Total liabilities and
shareholders funds:**4 4 0 0 4 0**

Total assets

4 4 0 0 4 0**Sources of funds**

Paid-up capital

2 5 9 4 4 0

Reserves and surplus

1 8 0 6 0 0

Secured loans

Unsecured loans

Application of funds

Net fixed assets

1 2 5 7 9 3

Investments

N I L

Net current assets

1 1 1 6 2 1

Miscellaneous expenditure

N I L

Accumulated losses

2 0 2 6 2 6**(d) Performance of the company**

Turnover

1 0 7 4 9 0 0

Total expenditure

1 0 5 8 8 0 2

+ / - Profit before tax

☒ **1 6 0 9 8**

+ / - Profit after tax

☒ **1 6 0 8 1**

Earnings per share in Rs

0 . 6 2 0

Dividend rate %

N I L**(e) Generic names of three principal products/services of the company**

Item Code No (ITC Code)

8 5 2 8 1 0 . 0 1

Product Description

COLOUR TELEVISION SETS

PROXY

SHARP INDIA LIMITED

Regd. Office : Gat No.686/4, Koregaon Bhima,
Taluka Shirur, District Pune 412 216.

I/We _____ (Folio No./ DPID & Client ID No. _____)

of _____

being a Member / Members of **SHARP INDIA LIMITED**, Pune, hereby appoint

of _____ or

failing him _____

of _____



as my/our Proxy to vote for me/us and on my/our behalf, at the TWENTY - FIFTH ANNUAL GENERAL MEETING of
the Company to be held on Monday, 20th September, 2010 and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Please affix
30 Paise
Revenue
Stamp
here

Signature(s) of Member(s)
across the stamp

**Note : The Proxy must be deposited with the Registered Office of the Company, not less than 48 hours before
the time fixed for the Meeting.**

BOOK POST
UNDER CERTIFICATE OF POSTING

SHARP

If undelivered please return to :

Secretarial Department,
SHARP INDIA LIMITED
Gat No. 686/4, Koregaon Bhima,
Taluka Shirur, Dist. Pune - 412 216